

May 25, 2006

S 1965. HEALTHY NC. Filed 5/25/06. *TO ENACT THE "HEALTHY NC" PROGRAM TO FACILITATE THE AVAILABILITY OF AFFORDABLE ACCIDENT AND HEALTH INSURANCE COVERAGE TO SMALL EMPLOYERS, SELF-EMPLOYED INDIVIDUALS, AND UNINSURED WORKERS; AND TO APPROPRIATE FUNDS FOR THE IMPLEMENTATION OF THIS ACT.*

Effective January 1, 2008, enacts new Part 6 of Article 50 of GS Chapter 58 as title indicates.

Requires that every insurer that offers individual health benefit plans, group benefit plans, or both, and that is one of the top 15 health benefit plan insurers in the State, offer group health insurance to certain small employers and individuals, including dependent coverage.

Stop Loss Funds. Creates the Small Employer Stop Loss Fund and the Qualifying Individual Stop Loss Fund and provides that participating insurers may receive reimbursement from those Funds, to the extent funds are available, for 90% of claims paid by those insurers under the Healthy NC Program, to a maximum of \$75,000 per individual covered. Requires that the Department of Insurance administer those Funds and establishes a procedure for claims reimbursement, a method for determining the total eligible enrollment under plans covered by act, and requirements for the filing of claims data.

Small Employer Plans. Provides that small employers that meet the following criteria are eligible to participate in a group health benefit plan under the Program: (1) employ no more than 25 eligible employees, at least 30% of whom earn wages of \$12 per hour or less, and at least 75% of whom participate in the Program; (2) have not provided a group health benefit plan for their employees during the 12-month period preceding the date of Program application; (3) maintain a principal place of business located in NC; and (4) contribute at least 50% of the premium required under the Program. Defines "eligible employee" as an employee who works at least 30 hours per week.

Qualifying Individual Plans. Provides that self-employed individuals that meet the following criteria are eligible to participate in a group health benefit plan under the Program: (1) are the sole owner and employee of a business; (2) have a family income of no more than 250% of the federal poverty guidelines; (3) did not have health insurance coverage under a health benefit plan during the 12-month period preceding the date of Program application and are not eligible to obtain coverage under an employer-provided group health benefit plan as an employee or dependent; and (4) reside in NC.

Also provides that an employed individual is eligible for individual health insurance coverage under the Program if the individual: (1) is a low-income employed person whose employer does not provide health insurance coverage and has not provided coverage during the previous 12 months, unless coverage was terminated in the manner specified in the act; (2) is not eligible to obtain coverage under an employer-provided group health benefit plan as an employee or dependent; (3) is a resident of NC; and (4) is ineligible for Medicare or Medicaid. Defines "low-income employed person" as a currently employed person who was employed for at least 90 days in the preceding year, and whose family income does not exceed 250% of the federal poverty guidelines.

Miscellaneous. Sets forth enrollment and application procedures, duties of participating insurers, and a method for calculating Plan premiums. Requires that Program be evaluated annually by an independent contractor and that the Commissioner of Insurance report annually to the General Assembly on the Program status, whether adjustment to the claims corridor is necessary to reduce Program premiums by 30%, and whether action is necessary to inhibit adverse selection under Program coverage. Appropriates \$311,663 from the General Fund to the Department of Insurance for 2006-07 to fund four full-time positions to administer program and an unspecified amount from the General Fund to the Reserve for Healthy NC for 2006-07 for claims reimbursement, effective July 1, 2006.

Intro. by Kerr.

GS 58, APPROP